

Message Text

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43

ACTION XMB-07

INFO OCT-01 EUR-25 ISO-00 EB-11 TRSE-00 OMB-01 FCC-03

OTPE-00 L-03 CIAE-00 INR-10 NSAE-00 RSC-01 EA-11

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FM AMEMBASSY ATHENS

TO SECSTATE WASHDC PRIORITY 3207

INFO USDOC WASHDC

AMEMBASSY VIENNA

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E.O. 11652: N/A

TAGS: BEXP, GR

SUBJECT: OLYMPIA TELECOMMUNICATIONS PROJECT

DEPT PASS EXIMBANK; VIENNA FOR DIETZ

REF: STATE 78092

1. LOCAL REPRESENTATIVE OF COLLINS INFORMED EMBASSY APRIL 29 THAT GOVERNOR OF HELLENIC TELECOMMUNICATIONS ORGANIZATION (OTE) GAVE HIM INFORMAL PIECE OF PAPER ON APRIL 27 INDICATING OTE WOULD BE WILLING TO CONSIDER TERMINATING NEGOTIATIONS WITH MARCONI AND START WITH COLLINS IF COLLINS WOULD ACCEPT ALL OF FINANCIAL CONDITIONS AGREED TO BY MARCONI INCLUDING MAINTAINING A 6 PERCENT INTEREST RATE ON ALL FINANCING OF PROJECT. LOCAL REP HAS INFORMED COLLINS AND IS AWAITING GUIDANCE.

2. LOCAL REP BELIVES MARCONI NEGOTIATIONS COLLAPSED PARTLY BECAUSE MARCONI REFUSED OTE REQUESTS TO DISCOUNT \$13 MILLION CONTRACT FIRST BY \$500,000 AND THEN BY \$250,000. HE ALSO BELIEVES MARCONI MAY HAVE BEEN LOOKING FOR OPPORTUNITY TO GET OUT OF CONTRACT BECAUSE COSTS HAVE RISEN DRAMATICALLY IN U.K. AND MARCONI WOULD ALSO HAVE TO PAY MORE FOR OUTSIDE TECHNOLOGY

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NECESSARY TO MEET SPECIFICATION OF CONTRACT.

3. THERE IS NO REPEAT NO INDICATION HERE THAT JAPANESE ARE IN
SERIOUS CONTENTION AT THIS TIME.

4. COMMENT. WHILE WE UNDERSTAND EXIMBANK HAS AGREED TO MAINTAIN
6 PERCENT INTEREST RATE ON EXIM'S PORTION OF COLLINS FINANCIAL
PACKAGE, IT NOW REMAINS FOR EXIM AND USG TO SEE WHETHER THEY
CAN ASSIST COLLINS IN ARRANGING 6 PERCENT RATE FOR NON-EXIM
PORTION OF FINANCING. IS THERE ANY POSSIBILITY THAT EXIM
COULD COVER OR SUFFICIENTLY GUARANTEE TOTAL CREDIT TO PERMIT
6 PERCENT RATE FOR TOTAL FINANCIAL PACKAGE? WE UNDERSTAND
OTE IS PREPARED TO HAVE NATIONAL BANK OF GREECE GUARANTEE
REPAYMENT BY OTE.
TASCA

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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